V. REMARKS

In the Office Action, claims 1-30 were rejected under 35 U.S.C. 112 as being indefinite for reasons set forth in the Office Action. The independent claims 1, 15, 29 and 30 have been amended to clarify the language, thereby to overcome these rejections.

Claims 1-30 were said to contain allowable subject matter. All of these claims are believed to be allowable in view of the amendments to overcome the rejections and 35 U.S.C. 112.

Correction of the Abstract was required by cancellation of the last line. This has been done by cancellation of the required line.

With respect to the Drawing, correction was required in Fig. 2 by inclusion of labels identifying the elements of the figure. A replacement sheet of drawing having the required labeling is presented with this response.

With respect to the new claims 31 and 32, these claims are based, respectively, on the encoder claim 29 and the decoder claim 30. Claims 31 and 32 are believed to be allowable in view of the allowable subject matter in the corresponding claims 29 and 30.

With respect to the amendments presented to overcome the rejections under 35 U.S.C. 112, it is noted that, in claim 1, the antecedent basis for "said sequence" is clarified by using, in line 5, the expression "in sequence" instead of sequentially. Moreover, the transform and quantization in the last lines of claim 1 of have been clarified to be the "discrete cosine"

transform" and the "quantization operation" mentioned earlier in the claim.

In claim 15, the "quantization" did not lack an antecedent basis as suggested by the examiner but, rather, failed to state correctly a "dequantization" as now appears in the amended claim. Also, in claim 15, the "compressed digital data" is believed to be correct. This claim relates to the decompression of digital data. Therefore, the quantization and the inverse transform employed for the decompression are to be applied to compressed digital data, and not applied to decompressed digital data.

For all of the foregoing reasons, it is respectfully submitted that all of the claims now present in the application are clearly novel and patentable over the prior art of record, and are in proper form for allowance. Accordingly, favorable reconsideration and allowance is respectfully requested. Should any unresolved issues remain, the Examiner is invited to call Applicants' attorney at the telephone number indicated below.

A check in the amount of \$1,520.00 is enclosed for a 3 month extension of time and additional claim fees. The Commissioner is hereby authorized to charge payment for any fees associated with this communication or credit any over payment to Deposit Account No. 16-1350.

Respectfully submitted,

Geza C. Ziegler, Jr.

Reg. No. 44,004

2 Feb 2005

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CERTIFICATE OF MAILING (for non-final)

I hereby certify that this correspondence is being deposited with the United States Postal Service on the date indicated below as first class mail in an envelope addressed to the Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Date: 40.2, 2005

Signature:

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III. DRAWING CORRECTIONS

A replacement sheet of drawing having a corrected Fig. 2 accompanies this response, the corrections of Fig. 2 including labeling of the elements as required by the examiner in Point 4 of the Office Action.